

STAFF PROPOSED PREPAID CALLING SERVICE REGULATIONS

Definition:

Prepaid Calling Services provided without compensation from the consumer are exempt from the requirements set out herein.

Carrier, in the context of this section of the Commission Regulation governing Telecommunications Utilities, means any entity providing prepaid calling service to the public using its own and/or a resold telecommunications network.

Prepaid Calling Card means any object containing an access number and authorization code that enables an end user to originate calls whether manually or electronically dialed.

Conversation Time is the time when two-way telecommunications is possible.

Certificate of Public Convenience and Necessity Required:

A carrier shall not provide Prepaid Calling Service without first obtaining a Certificate of Public Convenience and Necessity as a local exchange carrier, competitive local exchange carrier, or interexchange carrier. The name printed on a prepaid calling card shall appear identical to the name in which the Certificate is issued. A “doing business as” name may be used in lieu of the certificated name if it is registered with the South Carolina Secretary of State and reflected on the certificate before the name is used on a card.

Tariffs and Price Lists:

All carriers providing prepaid calling service regardless of certificate type shall file a tariff or price list including the following information:

- a. Maximum amount a user will be charged per minute for usage of the prepaid calling services and;
- b. Amount of any applicable surcharges and the surcharges expressed in equivalent per minute rate

Standards for Prepaid Calling Services and Consumer Disclosure:

- (1) The following information shall be legibly printed on the prepaid calling card:
 - a. Commission certificated name or “doing business as” name allowed for herein clearly identified as the provider of the prepaid calling service;
 - b. Toll-free customer service number;
 - c. Toll-free network access number; and
 - d. Authorization Code, if required to access the service.

- (2) Each Carrier shall provide the following information legibility printed on a prepaid calling card, packaging, display, and promotional/advertisement visible in a prominent area at the point of sale of the prepaid calling card such that the consumer can make informed decision prior to purchase:
- a. Maximum charge per minute for use of the prepaid calling card service
 - b. Amount of any applicable surcharges and the surcharges expressed in an equivalent per minute rate; and
 - c. Expiration policy, if applicable
- Each Carrier must insure by contract with its retailers or distributors that the required information is provided to a consumer.
- (3) Each Carrier shall provide through its customer service number the following information:
- a. Certificate number;
 - b. Rates and surcharges;
 - c. Balance of use in account; and
 - d. Expiration date or period, if any
- (4) Each carrier shall provide a live operator to answer incoming callings 24 hours a day, 7 days a week or shall electronically voice record end user complaints. A combination of live operators and recorders may be used. If a recorder is used, the carrier shall attempt to contact each complainant no later than the next business day following the date of the recording.
- (5) The rates displayed in accord with paragraph (2) above shall be no more than those reflected in the tariff or price list for prepaid calling service on file with the Commission.
- (6) A carrier shall not reduce the value of the prepaid calling card by more than the charges printed on the card, packaging, visible display, and on promotional/advertisement material at the point of sale. The service may, however, be recharged by the consumer at a rate higher than the rate at initial purchase or last recharge. The higher rate and surcharges shall be no more than the rates and surcharges in the tariff or price list and the consumer shall be informed of the higher charges at the time of recharge.
- (7) The billing increment shall not exceed one minute.
- (8) Each carrier shall only charge for conversation time plus applicable surcharges.
- (9) Conversation time of less than a full minute shall not be rounded up beyond the next full minute.

- (10) Prepaid Calling Cards without a specific expiration period printed on the card, and with a balance of service remaining, shall be considered active for a minimum of one year from the date of first use, or if recharged, from the date of the last recharge.
- (11) If prepaid calling services are sold without a card or printed material, tariffed charges and surcharges, expressed in number of equivalent minute of use, shall be disclosed at the point of purchase.
- (12) All prepaid calling services sold by the carrier after December 31, 1999 must comply with these regulations.

Refunds:

- (1) Each carrier shall have a refund policy that meets the following minimum requirements:
 - (a) For prepaid calling service that are rendered unusable for reasons beyond the consumer's control, and have not exceeded the expiration period, each carrier shall provide a refund equal to the value remaining in the account.
 - (b) Refunds may be cash or replacement service, at the carrier's option, but must be made to the end user within 60 days of notification by the end user.
- (2) Each carrier may, but shall not be required to, provide a refund when a prepaid calling card has been lost or stolen.

Discontinuance of Service:

A carrier shall be responsible for ensuring, either through its contracts with its network provider, distributors, or marketing agents, or other means that end user purchased prepaid calling services remain usable in accord with the Standards for Prepaid Calling Service and Consumer Disclosure provisions. A bond shall be maintained with the Commission after discontinuance of the prepaid calling card service.

Bond Requirement:

A carrier offering prepaid calling services in the State of South Carolina is required to post and maintain with the Public Service Commission of South Carolina a bond payable to the Commission in the form of a Certificate of Deposit or Surety Bond in the amount of \$5, 000. This bond shall be maintain in a current status until the Commission specifically waives the bond requirement after a request and showing by the carrier that a release from the requirement is appropriate.

The Certificate of Deposit shall be drawn on federal or state chartered banks or savings and loan associations which maintain an office in the State of South Carolina and whose accounts are insured by either the FDIC or the Federal Savings and Loan Insurance Corporation.

The surety bond shall be issued by a duly licensed bonding or insurance company authorized to do business in the State of South Carolina.

